



## **NORTH DAKOTA DEPARTMENT OF COMMERCE**

### **REPORT TO THE JOINT INDUSTRY BUSINESS & LABOR COMMITTEE**

Presented by the North Dakota Department of Commerce  
January 2009

*North Dakota*

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DEPARTMENT OF COMMERCE

# NORTH DAKOTA DEPARTMENT OF COMMERCE

## HIGHLIGHTS & RESULTS FOR THE BIENNIUM 2007-2009

The North Dakota Department of Commerce works to improve the quality of life for North Dakota citizens by leading efforts to attract, retain and expand wealth. Commerce serves businesses and communities statewide through committed people and partners who offer valuable programs and dynamic services.

### DEFINING THE STRATEGY

Commerce focuses its efforts through four strategic priorities:

#### /// **Business, Community & Industry Development**

– delivering initiatives, programs and services that support business, community and industry growth.

/// **Workforce & Volunteer Attraction, Retention & Expansion** – improving the state's ability to attract, retain and expand talent.

/// **Employee Satisfaction, Contributions & Growth** – creating a culture that drives individual and organizational improvement.

/// **Internal Operations** – improving the productivity of the overall organization.

### LEADING THE STATE'S COMMUNITY & ECONOMIC DEVELOPMENT

At Commerce, we take our mission seriously and continue to strive to improve the quality of life for the citizens of North Dakota. During the past two years, our four divisions have advanced to this mission in a variety of ways.

- /// **Tourism** is working to build North Dakota's "Legendary" brand and as our second-largest industry, tourism contributes \$3.8 billion to the state's economy.
- /// **Community Services** leads the state's efforts to build, maintain and rehabilitates community infrastructure including vital services to many of our most needy people. This division directs millions of grant dollars into our communities to improve the quality of life for thousands of people.
- /// **Workforce Development** is spearheading efforts to attract and retain workers and is educating our state's youth on promising career opportunities in North Dakota.
- /// **Economic Development & Finance** works with partners statewide to grow North Dakota's five target industries.

The many programs and services offered by Commerce are highlighted in this report along with measurements of our overall success

– **Shane Goettle, Commissioner**

## BUSINESS, COMMUNITY & INDUSTRY DEVELOPMENT

Commerce provides a diverse group of programs and services, as well as a number of initiatives, that support business, community and industry growth.

### New Business & Expansions

Charged with coordinating and focusing the state's economic development resources, the Commerce business development team works closely with national and local partners. Through aggressive marketing, developers generated 68 leads for new project development activity from businesses considering North Dakota and have provided assistance to many companies and partners.

**New businesses or expansions completed in the past 18 months: 9**

**Total employment (direct/indirect) projected through 2012: 735**

**Total economic output: \$513 million**

/// **Projected state tax revenue: \$29 million**

### Industry Growth 2007

- /// The business services sector realized a net 2,000 new jobs.
- /// Healthcare sector added 1,800 net new jobs.
- /// Leisure and hospitality added 1,600 net new jobs.



**WWW.NDCOMMERCE.COM**



## TOURISM DRAWING LEGENDARY VISITORS

As the state's second-largest industry, tourism continues to attract visitors and recreation

enthusiasts to the state. The results of the efforts of our Tourism Division and their partners continue to be good for North Dakota, providing new dollars, new attractions and new awareness about all our state offers. The tourism industry is realizing consistent growth with 1,600 net new jobs in the last two years. Since 1990, an NDSU study reports the industry has grown 655 percent.

### /// 2007 Return on Investment: ROI for Tourism is measured every-other year.

Each \$1 invested in tourism advertising, returned \$203 in visitor spending.

- \$1.66 million investment in tourism advertising
- \$203.9 million in visitor spending
- 52 percent increase in visitor spending over 2005's ROI

### /// NDTourism.com Extending Our Reach

Continued enhancements to the Tourism web site (NDTourism.com) and increased consumer comfort in finding information online has boosted the reach of Tourism's marketing efforts and allows consumers 24/7 access to North Dakota.

- Unique visitors for 2007 – 358,520; 2008 – 480,669; 34% increase
- Calls to 1-800-HelloND reduced by 46 percent from 2007 to 2008, credited to visitors researching travel information online.

### /// Materials Making an Impact

Tourism produces a variety of travel and recreation information guides that are distributed throughout the state and in targeted markets. Distributions for this biennium include:

- Travel Guide – 700,000
- Cultural & Heritage Guides – 350,000
- 3-minute video – 1,000
- Hunting Guide – 100,000
- State Maps – 1.2 million
- Int'l Promo Video – 1,000

### /// Partner Grant Programs

Infrastructure and Expansion Grants support new or expanding tourism facilities or designated development areas primarily through infrastructure projects. The Matched Grant Program has funds available for promoting communities and events regionally.

- Infrastructure & Expansion Grants: 24 grants awarded – \$403,000.
- Matched Grants: 30 grants awarded – \$115,000.

## FOSTERING ENTREPRENEURS – INNOVATE ND

Innovate ND is providing education and support to help people turn business ideas into reality in North Dakota.

**Business ideas submitted: 176**

**Total number of participants: 372**

/// **Total new businesses in operation or development in state: 40**





## SUPPORTING SMALL BUSINESS DEVELOPMENT

A key Commerce partner, the Small Business Development Center provides business assistance in the form of counseling, training, and research to existing and prospective small businesses which results in job creation or retention and economic wealth.

**Businesses served: 1,498**

**Hours of consultation: 11,000**

**Businesses started: 138**

**Jobs created: 563**

**Jobs retained: 544**

/// **Total capital infused into small businesses in 2007-09: \$87 million**

## CENTERS OF EXCELLENCE

The Centers of Excellence program is North Dakota's effort to encourage partnerships between universities and the private sector. These centers are hubs of research and technology that provide a nucleus for new business growth. Currently, 14 centers are in operation focusing on initiatives related to all the state's target industries, seven of which are approved for additional funding. Results to date:

**Partners** — 107 private sector companies participating

- 16 new or expanded businesses
- 12 new companies have been created - (5 spin-offs, 7 companies)
- 4 companies expanded through program

**Jobs** — 493 new direct jobs, 866 indirect new jobs

/// **Total investment: \$179 million (\$39.5 state)**

/// **Total economic impact: \$169 million**

/// **Total increase in tax collections:**

- **Sales & Use - \$1.8 million**
- **Personal Income - \$0.9 million**



Avianax, a resident of UND's Center of Excellence for Lifescience and Technology, is creating an innovative new treatment for West Nile virus using antibodies drawn from geese in Tolna, North Dakota.



Catherine's for Lamb, located in Driscoll, received \$38,000 from APUC for marketing family-raised Katahdin Hair Sheep. Their meat is featured in restaurants and retail outlets throughout the state.

Photo credit: [www.catherinesforlamb.com](http://www.catherinesforlamb.com)

## AGRICULTURAL PRODUCTS UTILIZATION COMMISSION

APUC works to create new wealth and jobs through the development of new and expanded uses for North Dakota agricultural products. A study conducted by NDSU – *Contributions of the ND Agricultural Products Utilization Commission Programs to the State Economy* – concluded that nine agricultural processing projects supported by APUC during the 1995-2004 period are estimated to contribute more than \$157 million annually to the state economy, to support almost 2,300 new jobs, and to result in \$2.4 million in added state sales and use and personal income tax revenues annually.

**Total sponsored projects in 2007-09: 40**

/// **Total funding provided: \$1.1 million**

**APUC STATEWIDE IMPACT MAP INCLUDED IN APPENDIX**

## ENERGY EFFICIENCY & RENEWABLE ENERGY

Commerce is involved in many activities to promote energy efficiency in both the public and private sectors and to facilitate the development and use of renewable energy sources within the state.

**Total energy grants: 107**

/// **Total funding provided: \$7.4 million**



## DEVELOPMENT FUND

Providing important gap financing for companies starting or expanding in North Dakota, the Development Fund coordinates efforts between all the sources of financing, the business and the community. Since July 1, 2007, the Development Fund has invested \$6.9 million through 27 loans in 15 cities and 14 counties.

**Total jobs at time of funding: 426**

**Total jobs projected for project year 1: 675**

**Total jobs projected for project year 2: 849**

**// Total dollars leveraged for each \$1 funded: \$9.63**

**DEVELOPMENT FUND STATEWIDE IMPACT MAP INCLUDED IN APPENDIX**

Buffalo City Wood Products, Jamestown, accessed \$80,000 from the Development Fund to pursue building park model housing for use in addressing the housing needs of the oil industry.



The Grand Forks renaissance zone gave a new look to many downtown buildings and shops.

## RENAISSANCE ZONES

By providing incentives to investors to find new uses for existing buildings, Renaissance Zones are helping to attract new businesses and housing to downtown areas across the state. Renovated properties are adding significant values to downtown areas. Two buildings in Ashley increased their property value by 40 percent by participating in their Renaissance Zone project.

**Total cities participating: 44**

**// Total approved/completed: 756/549**

**RENAISSANCE ZONE STATEWIDE IMPACT MAP INCLUDED IN APPENDIX**



## COMMUNITY DEVELOPMENT BLOCK GRANTS

CDBG provides financial assistance to local governments through grants and loans for public facilities, housing rehabilitation and economic development projects. The primary benefactors of projects using CDBG funds must be low to very low income individuals.

**Total homes rehabilitated: 173**

**Total proposed jobs from projects: 330**

**Total dollars expended in match funds: \$66.8 million**

**// Number of people impacted: 20,395**

**CDBG STATEWIDE IMPACT MAP INCLUDED IN APPENDIX**

*CDBG projects featured at right, top to bottom: Forman sewer replacement, Minnewauken water tower project, Bismarck 5th Street Renaissance Zone.*

## SUPPORTING COMMUNITIES SUPPORTING PEOPLE

Programs to support community development and stability are an important part of Commerce's work. Programs to benefit low and moderate income citizens and communities include:

- /// Community Development Block Grants (CDBG)
- /// Community Services Block Grants (CSBG)
- /// Homeless Grants
- /// HOME Program
- /// Manufactured Housing

### EMERGENCY GRANTS

On any given day in North Dakota more than 700 people are homeless. Through federal funding, Commerce delivers financial assistance to facilities and programs within North Dakota which provide temporary shelter to homeless individuals.

- /// More than \$724,000 was awarded in 2007-2008 to 27 homeless and domestic violence providers.
- /// Over \$400,000 from the Shelter Plus Care was provided for housing assistance grants to more than 50 families with disabilities.

### COMMUNITY SERVICES BLOCK GRANTS (CSBG)

The CSBG is an anti-poverty grant that is used to address low income challenges such as employment, education, income management, housing, emergency services, nutrition, self sufficiency and health. In 2007, CSBG helped more than 13,000 families address a variety of poverty-related issues.

From the fourth quarter of 2006 to the third quarter of 2008, North Dakota received \$6.1 million in CSBG funds that were allocated through seven community action agencies providing services in all 53 counties. Community action agencies use these funds with other public and private funds to best serve the low income population.

**Total CSBG funds distributed to communities in 2007: \$3.0 million**

/// **Number of people impacted: 17,000 people in 13,000 families**



### FEEDING FAMILIES ONE BACKPACK AT A TIME

One of the newer Community Action Agency programs is Backpacks for Kids in Bismarck. The Backpacks program was begun in December of 2006 to provide nutritious food on the weekends to low income children who are homeless or not living in a stable home situation. CSBG funds were used to start the program originally, and continue to be used to support the program along with funding from other grants, businesses, private donations, churches and fundraisers.

The Backpack for Kids program currently serves more than 200 children in 18 schools in Bismarck.

### HOME PROGRAM

The North Dakota HOME program has two primary activities: home owner assistance and rental unit production and assistance. Results this biennium:

**Affordable rental units produced: 44**

**Homebuyers assisted: 338**

/// **Total funding provided for home rental acquisition, rehabilitation and construction: \$6 million**

### EMPOWER NORTH DAKOTA

EmPower ND was created by the Hoeven Administration in 2001. In 2007, it brought together representatives from all of the state's energy sectors to strengthen a comprehensive, multi-resource energy policy. The policy now includes 10 key goals, 40 policy recommendations and nearly 100 action items.

/// **New energy related projects generated by EmPower ND: \$5 billion**

## WORKFORCE & VOLUNTEER DEVELOPMENT

Workforce shortages are a top challenge facing North Dakota businesses today. Commerce is focused on improving the state's ability to attract, retain and expand talent. In the last two years, Commerce has launched several programs aimed at recruiting and expanding the pool of workforce and volunteers.



### WEBFAIRND.COM

#### A New Experience Event

Commerce put a unique spin on its job fair effort through the addition of WebFairND.com, a virtual job posting site targeting employers, job seekers and college students. WebFair allows employers to recruit talent worldwide at a low cost, and allows job seekers to search for opportunities from their own home.

Commerce hosted the first WebFair in November 2008 during the Thanksgiving holiday period.

**Number of companies participating: 66**

**Number of full-time jobs and internships posted: 390**

**Total unique visitors to WebFairND.com in the 14-day period: 4,000**

### EXPERIENCE NORTH DAKOTA

Focusing on attracting former and future North Dakotans to fill openings at our state's growing companies, Experience North Dakota provides services including everything from out-of-state recruitment events to personalized assistance to relocators.



A large majority of attendees at Experience events are young families looking for excellent jobs that provide opportunity for them to return to North Dakota.

#### Experience North Dakota Events

Five Experience events – expanded job fairs featuring job opportunities, as well as the sites, sounds and tastes of North Dakota – have been held in Denver, Minneapolis and Chicago.

**Number of total attendees: 1,396**

**Number of total sponsors and exhibitors: 150**

/// **Number of people who have moved as a result of these events: 25**

#### ExperienceND.com

The newly launched ExperienceND.com web site provides information about our events and Ambassador program (volunteer salesforce for the state's image), along with valuable relocation information. The site is becoming the place to go if you are interested in promoting the state or making it your home.

/// **Unique visitors since site launch in November 2008: 5,500**

#### Direct Assistance to Relocators

In 2008, Commerce added a talent marketing coordinator who provides direct assistance to people interested in relocating to North Dakota. These individuals receive information on employment opportunities and personal connections to the resources and information they need about living and working in North Dakota.

/// **Number of people seeking direct relocation assistance: 312**



# WORKFORCE & VOLUNTEER ATTRACTION, RETENTION & EXPANSION

## TALENT INITIATIVE

Commerce is coordinating workforce development efforts among state and local entities. The goal is to attract, retain and expand talent and volunteers:

- /// increasing the quantity and quality of North Dakota's workforce.
- /// guiding potential job seekers and volunteers to choose opportunities in state.
- /// ensuring stakeholders have relevant workforce and volunteer information.

## AMERICORPS

AmeriCorps is a national service program helping communities address their critical community service needs, while giving practical career experience to its volunteers.

**Number of projects: 7**

/// **Total members: 226**

## WORKFORCE ENHANCEMENT

Workforce Enhancement Grants are available to North Dakota's 2-year colleges to help education leverage funding matches from the private sector in building programs responsive to their workforce needs, building talent pools for the future.

- /// Bismarck State College has been awarded grants for Power & Process Plant Technology Expansion and Lineworker program enhancement.



## OPERATION INTERN

A new program created last session, Operation Intern encourages expansion of higher education internships and work experience opportunities with North Dakota target industry employers. Matching grants are available to businesses creating new internships and work experience opportunities covering up to a maximum of \$3,000 per intern.

**Businesses participating: 87**

**Number of internships available: 205**

/// **Total internships filled to-date: 167**



McFarlane Sheet Metal in Grand Forks is giving interns experience in the HVAC, insulation and custom sheet metal applications.



Senator Dwight Cook joins Mandan students to hear speaker Patrick McConnell of Titan Machinery projected via webcam.

## CAREER CONVERSATIONS

Career conversations educates high school students and their supporters about strong career opportunities in North Dakota. Commerce coordinates interactive "career conversations" using webcams that link students in a classroom to workers in high-wage/high-demand occupations. Videos of each conversation are captured and posted online for future viewing.

**Number of participants: 925**

/// **Viewing of career conversations posted online: 903**

## INTERNAL OPERATIONS & EMPLOYEE SATISFACTION

Commerce strives to be an employer of choice and to create a culture that drives individual and organizational improvement.

## PERFORMANCE MEASUREMENT

Commerce has 66 employees who successfully manage over 50 programs that invest millions of federal and state dollars to benefit North Dakota citizens. That level of responsibility demands an equal level of accountability. In 2007, Commerce launched a performance management system that connects the achievement of individual goals to salary increases. In addition, each employee's work is connected with one or more of Commerce's four strategic priorities.

# APPENDIX – COMMERCE COMMUNITY IMPACT MAPS

## COMMUNITIES IMPACTED BETWEEN 2004-2008

### /// AGRICULTURAL PRODUCTS UTILIZATION GRANTS • 2004-2008



**APUC  
PROJECTS  
132**

**TOTAL  
FUNDING  
\$3.9 MILLION**

### /// DEVELOPMENT FUND – RURAL REVOLVING LOAN FUND • 2004-2008



**DEVELOPMENT  
FUND  
10**

**RURAL REVOLVING  
LOAN FUND  
10**

**TOTAL FUNDING  
\$23.8 MILLION**

# APPENDIX – COMMERCE COMMUNITY IMPACT MAPS

## COMMUNITIES IMPACTED BETWEEN 2004-2008

### RENAISSANCE ZONES • 2004-2008

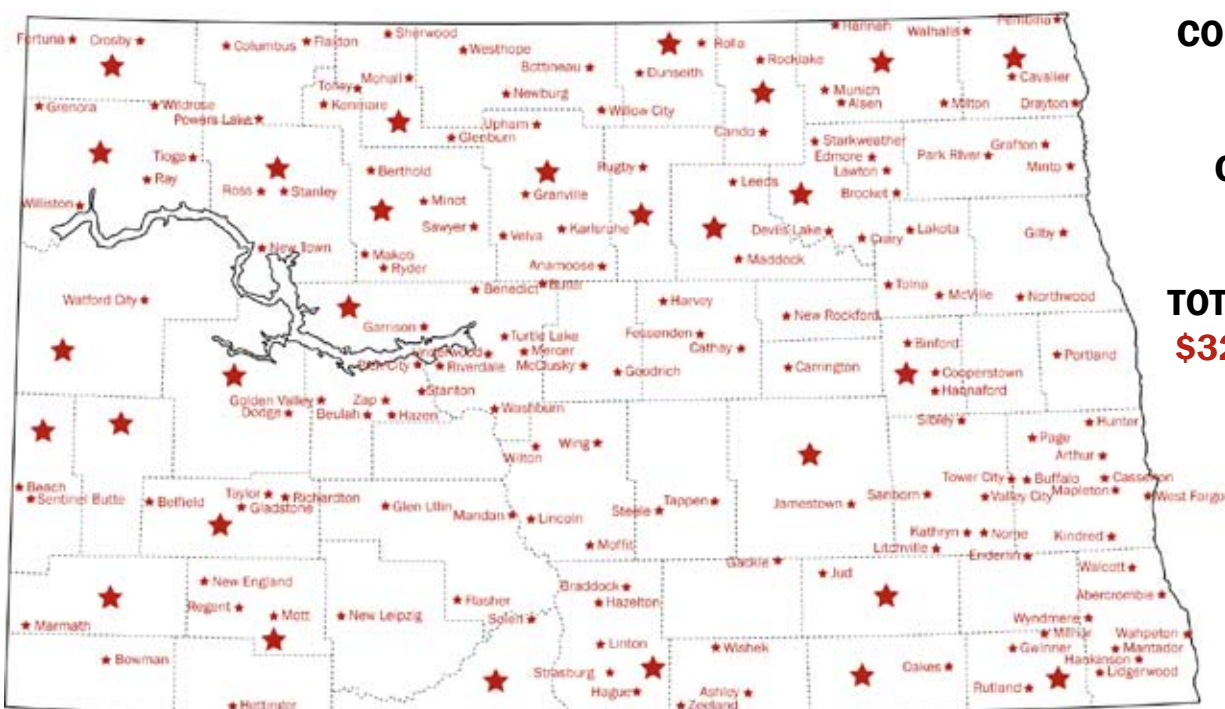


**RENAISSANCE  
ZONES  
44**

**TOTAL  
COMPLETED  
549**

**TOTAL  
APPROVED  
& COMPLETED  
756 PROJECTS**

### COMMUNITY DEVELOPMENT BLOCK GRANTS • 2004-2008



**COMMUNITIES  
147**

**COUNTIES  
28**

**TOTAL FUNDING  
\$32.1 MILLION**





**WWW.NDCOMMERCE.COM**

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